



APPENDIX D: MARKET ANALYSIS

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Frog Pond East Master Plan

Commercial Area Evaluation

Date March 28, 2022
To APG
From Chris Zahas and Sam Brookham, Leland Consulting Group

Introduction

This commercial area evaluation is one component of the Frog Pond East and South Master Plan, which the City of Wilsonville has initiated in order to create the regulatory framework and implementation strategies for the future development of the area.

The real estate market is of critical importance to the future of the entire Frog Pond Area since this new community will be shaped by both the private sector (e.g., landowners, developers, new residents, retail tenants) and the public sector (through planning, regulation, provision of infrastructure, annexation, and other actions).

Leland Consulting Group (LCG), the authors of this report, is part of a consultant team led by MIG | APG, which has been engaged by the City of Wilsonville to develop the Master Plan.

This memorandum includes:

- A summary of key takeaways from broker, developer, and public input
- An analysis of the commercial development market including commercial supply and demand, and opportunities for commercial tenant types, square footage, acreage, parking demands, etc.
- Summaries of case studies of comparable commercial centers with relevant comparisons to the subject site based on the surrounding population, employment, traffic counts, and other metrics that drive commercial development.
- A draft commercial land use program, including location, acres of land required, square feet of development, potential configuration, and considerations regarding visibility, access, connectivity, and the relationship to the surrounding neighborhoods.

The vision for future Frog Pond commercial is for a small commercial node that provides neighborhood amenities for local residents. It is not envisioned as a major commercial center or employment center.

Background and Trends

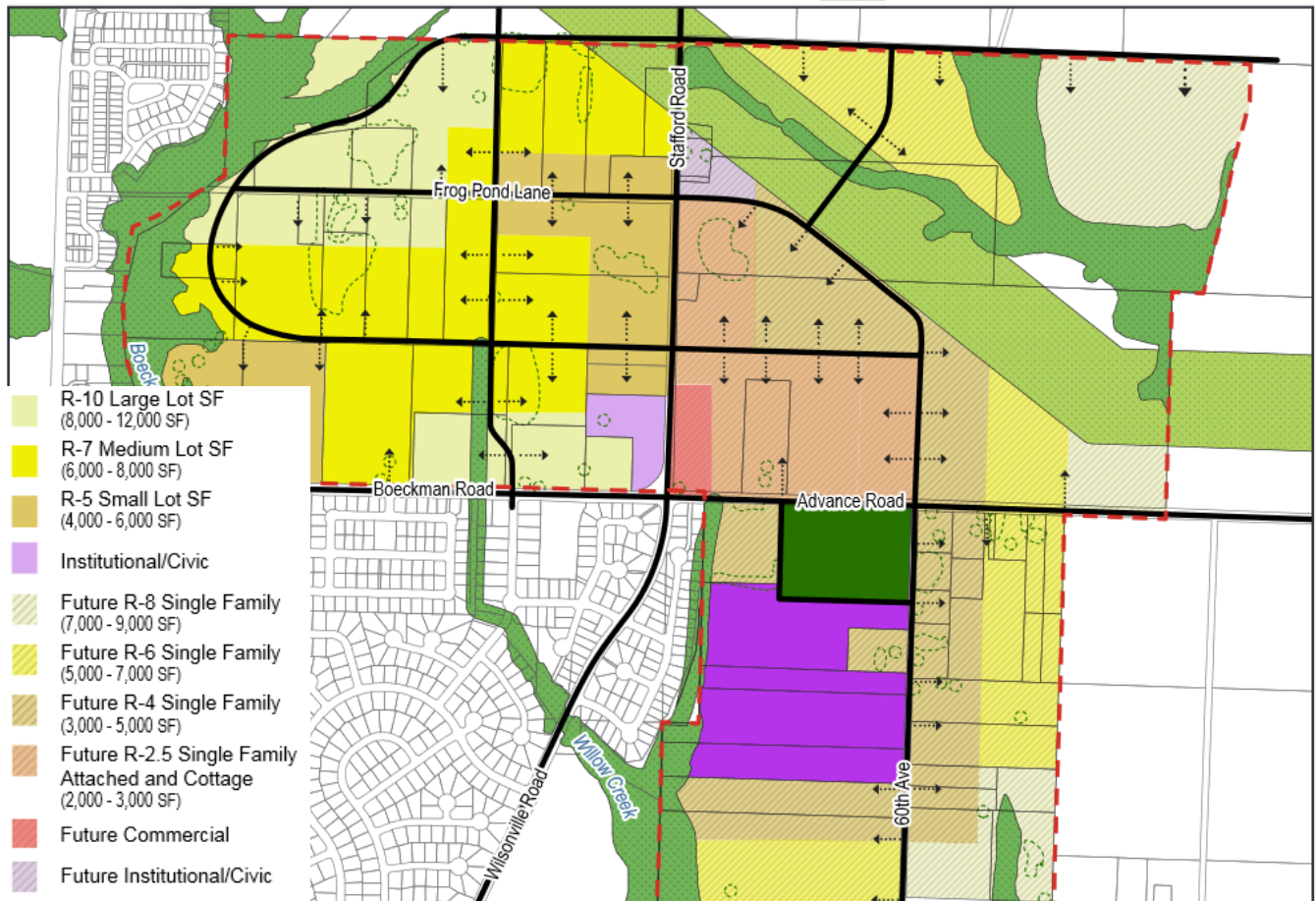
2015 Area Plan Overview

This memorandum builds on the analytical work conducted for the 2015 Frog Pond Area Plan. That plan outlines a vision for the neighborhood commercial center, describing it as a place that provides local goods and services with easy access to the local neighborhoods, with high quality and pedestrian-oriented design, and serves as a gathering place for the community. The focus should be on establishing a retail/commercial hub development that provides some goods and services for local residents, while also creating a center, sense of place, and social hub for the area.

The 2015 work included a market study to evaluate the demand and rationale for neighborhood-scale retail in Frog Pond. The study found that Frog Pond could potentially support an unanchored neighborhood retail center of approximately 38,000 square feet requiring about 3.5 acres of land at full project build-out in approximately 2035. Tenants would likely include retail, small office, and neighborhood services such as a daycare center.

The following map from the 2015 Area Plan shows the proposed location for the commercial area at the northeast corner of the Boeckman/Advance Road and Stafford/Wilsonville Road intersection. This area is central to all three new Frog Pond neighborhoods, is accessible to existing Wilsonville residents, is currently served by transit, is highly visible, has some of the highest pass-by traffic, and is complementary to the planned community park and school.

Figure 1. Frog Pond Area Plan – Land Use Framework



Source: Frog Pond Area Plan (2015)

Stakeholder Engagement

LCG conducted several interviews with retail developers and brokers to understand the opportunities and constraints of the Frog Pond location for future retail, as well as to determine any particular unmet community needs that could be satisfied in Frog Pond East and South. The takeaways and themed notes from these outreach efforts are summarized below. It is important to note that these notes reflect the developers' and brokers' opinions and are not recommendations by LCG.

Current Wilsonville Market. Developers generally agree that Wilsonville is an attractive market, primarily due to its demographics and balance of population and jobs. However, they also agree that there is limited excess demand given

the saturated nature of the retail market in the region. The old rule of thumb for commercial developments: if there are full shopping centers in the area, it is time to build another; the Wilsonville retail market is currently close to fully leased up and performing well.

Project Examples. Several retail precedents were discussed to explore opportunities and recommendations for Frog Pond. These included East Padden Square in Vancouver, WA, a master-planned 200-acre greenfield development in Ridgefield, WA, and Cascade Summit in West Linn, OR.

- The Ridgefield master-planned development shares many similarities with Frog Pond in terms of its size, development program, and location on the edge of the urban growth boundary, although the retail component will be visible and accessible from I-5. Killian Pacific is planning to build a core retail center—potentially grocery-anchored—surrounded by a limited amount of mixed-use, dependent on development feasibility nearer the time of construction. This area in Ridgefield has been undergoing planning for many years and was originally conceived as big box retail, but it is indicative of market trends that the program has changed so dramatically.
- Cascade Summit Town Square in West Linn is a larger neighborhood center on the edge of the UGB anchored by a 48,000 square foot Safeway store. It was developed as part of the residential master plan, which allowed the developer and property owner to offer below-market lease rates in order to fill the retail spaces before they might otherwise have been attractive to tenants. Additionally, the center includes a substantial portion of non-retail tenants, including West Linn City Hall, USPS, an animal hospital, banks, and a Montessori daycare center.
- East Padden Square is a pharmacy-anchored neighborhood center on the urban edge of Vancouver, WA. It includes a 14,000 square foot Walgreens and a 12,000 square foot multitenant building. While nearby households and jobs were important to the developer, access, visibility, and a lack of nearby competition were the driving forces behind their decision to locate the center. Average daily traffic counts are 15,000 to 18,000—much higher than those currently and projected in Frog Pond. A grocery store was originally planned for the center, but it never took hold.

Frog Pond Locational Assessment. Two approaches were discussed with developers: a traditional retail center and a main street approach. Developers provided the following insights:

- Retail survives by having drive-by visibility; main streets need to be planned and designed in a way that maximizes visibility while being accessible and oriented to the customer base that makes up the majority. For Frog Pond, this is likely to remain an auto-oriented area, so the front door (main access) of retailers need to be oriented to the parking lot. This configuration works better for conventional retail centers.
- Average daily traffic counts (ADT) of up to 10,000 will be unlikely to attract national tenants and may not be enough to sustain long-term leases. Developers typically look for ADTs of nearer 20,000. Developers recognize that people like to shop both in their immediate neighborhood and on their way home.
- Proximity to the Frog Pond elementary school is not a determinant of success for future commercial space.
- Developing apartments and other higher-density residential uses (e.g., townhomes) next to a commercial area will improve its chances of success by creating more demand, encouraging walkability, and making it “feel larger.”
- Over the next 10 to 15 years, a center no more than four acres in size appears realistic. Over a longer time frame as other UGB areas are built out, there may be opportunities for more commercial development.

Parking. Developers generally recommend a parking ratio of no less than four (4.0) parking spaces per 1,000 square feet of gross leasable space. For smaller centers and centers with a higher percentage of restaurants (that generally have higher parking demands than most retailers), the ratio should be more like five to six spaces per 1,000 square feet. This allows for necessary overflow capacity for peak parking demand. Shared parking agreements and on-street parking can help mitigate the impact that parking might have on the “neighborhood feel” of commercial areas.

Main Street Retail. Successful main street retail is difficult to successfully achieve, especially in suburban locations and where it is planned on minor streets. Jurisdictions often require the main doors fronting the street (i.e., on Stafford Road or Brisband Road/Frog Pond Lane with only on-street parking in front), which is detrimental to tenancing the commercial spaces. In suburban locations where about 90% of the customer base arrives by car, tenants want to locate where the most customers park. Creating the main street may need Wilsonville to require no more than 60% window glazing on the street frontages and permit entries oriented towards the customer parking.

Developers claim that when they are required by jurisdictions to provide doors along the street frontages, they advocate for limiting the number of doors on the structure and recommend only at either end of the structure to allow the corner tenant another option if they can take advantage of it. The reality is that the tenants create the street frontage as the back-of-house in the tenant layout plans, so the street sides contain storage rooms, bathrooms, utility rooms, etc.

A true main street would require all of the doors and 70% to 80% glazing on the street frontages, but for Frog Pond this would likely result in a situation where the developer would not be able to secure leases, and therefore not be able to obtain financing to build the structures. So the project never happens or it fails after the shell building is constructed.

Likely Development Challenges.

- A retail center below 50,000 square feet may not attract significant developer attention (especially larger developers), but a larger center will not likely be supported by demand.
- Financial conditions are currently the primary barrier to new investment. New retail construction currently requires rents near \$40 per square foot per year. Developers think Frog Pond will likely achieve rents between \$20 to \$25 per square foot, so retail development may need to be subsidized to be feasible. Potential solutions include SDC waivers and below-market land costs (if acquired by the city). While mixed-use development will likely face similar feasibility challenges because of the higher construction costs, efforts should be made to encourage it over the long term. Additionally, ensure the retail component is protected in the mixed-use zones; otherwise, it will be cast aside by the strength of the residential market.
- Frog Pond commercial tenants will likely be convenience-based, including restaurants, convenience stores, salons, sandwich shops, and gas stations. Services and health-based offices may comprise a significant share of the tenant mix.
- A grocery store will be challenging in Frog Pond. Grocers typically want to have access to at least 10,000 people (meaning there is such excessive demand that 10,000 people could be attracted to a new store), and many will not consider building a new grocery store without 8,000 households within a one-mile radius. Further, Wilsonville is saturated with high-quality grocery tenants. A grocery store may be feasible once construction begins in the residential components in the other UGB areas to the north.
- A master-planned development where the primary homebuilder takes on the responsibility of the commercial will likely result in more commercial space in a quicker timeframe.

Retail Market Trends

This section provides an overview of retail market trends and explores the potential impact on future Frog Pond commercial development. Some trends have been gradual, like the shifting consumer focus from malls to neighborhood-centric shopping, while some have been more rapid, as with the growing market capture of eCommerce (accelerated by the COVID-19 pandemic). Specific trends and the related impacts are summarized in the table below.

Table 1. Commercial Trends and Impacts

Commercial Trend	Impact on Future Frog Pond Commercial
Growing eCommerce market share, especially for specialty products and merchandise.	⬇️ Less overall demand for brick-and-mortar stores; limited opportunities for general merchandise.
The COVID-19 Pandemic is the “great retail reset,” with retail experiencing years’ worth of change in just months, including dramatic changes to people’s daily habits and professional and personal routines and significant impacts on real estate development patterns.	⬇️ The pandemic will likely accelerate the trends towards less retail and office space per capita, and boost demand for suburban residential locations. The era of unpredictability and risk (only one top 10 retailers from 1980 is still in the top 10)
The shift toward enjoying experiences more than purchasing goods (commodity vs. specialty) will continue to move retail stores toward selling experiences rather than selling goods.	⬆️ Potential to provide more diverse and compelling tenant mixes, health-based retail, and food and beverage.
Growing demand for convenience-based retail (e.g., neighborhood-based grocery-anchored centers with essential services), walkability, and 20-minute neighborhoods.	⬆️ Frog Pond may be able to provide walkable access to a mix of commercial goods and services, employment opportunities, and other amenities.
Shifting consumer focus from malls and high-street retail to more mixed-use centers and “neighborhood-centric” shopping	⬆️ “Hyper-local” retail orientation; more diverse and compelling tenant mixes with retailers operating smaller portfolios than before
Ageing demographics driving demand for smaller health-based commercial spaces.	⬆️ Medical-related commercial spaces (including offices) comprise a growing share of the commercial tenant mix.

Source: LCG

Retail is typically built in a series of standard formats, and while these vary somewhat, they maintain general consistency in terms of anchor tenants, size (square footage), trade area, and other features. Several types of retail centers are summarized in the table below. The 2015 Area Plan described the most appropriate types of retail for Frog Pond as a corner store, convenience center, or neighborhood center.

Table 2. Types of Retail Centers

Retail Center Type	Gross Retail Area (sf)	Dwellings Necessary to Support	Average Trade Area	Anchor Tenants
Corner Store	1,500 – 3,000	1,000	Neighborhood	Corner store
Convenience Center	10,000 – 30,000	2,000	1 mile radius	Specialty food <u>or</u> pharmacy
Neighborhood Center	60,000 – 90,000	6,000 – 8,000	2 mile radius	Supermarket <u>and</u> pharmacy
Community Center	100,000 – 400,000	20,000 +	5 mile radius	Junior department store

Sources: Urban Land Institute, Leland Consulting Group.

Parking Trends

Parking demand and need depends on a commercial area's tenant mix, its size, its location and how people are likely to travel to it, and the surrounding uses.

The Institute of Transportation Engineers (ITE) Parking Generation Manual compiles peak parking demand rates, typically by gross leasable area (GLA), for various land uses for weekdays and Saturdays. Using data collected from more than 140 surveys at all types of shopping centers ranging in size from 25,000 to 1,400,000 square feet of GLA, ITE found that the average peak parking rate was 3.23 and 3.97 vehicles per 1,000 square feet on weekdays and Saturdays, respectively.

The Urban Land Institute (ULI) has also investigated the impact of many variables including shopping center size, types of uses (retail or non-retail), and shopping center location. The ULI recommendations for providing adequate parking at shopping centers are four (4.0) spaces per 1,000 square feet of GLA for centers between 25,000 and 400,000 square feet.

This ratio may be impacted by a higher-than-average percentage of offices or restaurants.

- Commercial areas with more food service and drinking establishments (i.e., restaurants and bars) tend to have higher parking demand. Small centers and unanchored commercial areas tend to have a greater percentage of restaurants and, therefore, tend to require more parking. Smaller centers may also need more parking to accommodate peak demand.
- Commercial areas with professional, medical, and financial offices typically have slightly lower parking demand (3/1,000 sq. ft.).

Stakeholder interviews suggest a parking ratio of 5 spaces per 1,000 square feet of gross leasable commercial space (GLA), especially for a smaller (i.e., 30,000 to 50,000 square feet) suburban center where most people are likely to drive to and from it.

It should be noted that commercial centers are notoriously overparked and more futuristic trends in automation may diminish demand for traditional parking and increase demand for pick up and drop off zones. By 2035, new technologies, changing consumer behavior, or other factors may greatly impact parking demand and needs.

Demographic Context

Demographics are fundamental to estimating the market demand for commercial real estate. The types of commercial goods forecasted to be in demand in the future in Wilsonville and Frog Pond will depend on the types of people and households who live there both today and in the future.

Some highlights from the previous demographic analysis and relevant updates based on the most recent available data are described in the table below.

Table 3. Demographic Updates to the 2015 Area Plan

2015 Area Plan (2014 Data)		2021 Data
Age	Wilsonville has a higher percentage of young adult residents (aged 24 to 34) and older residents (aged 65+) than the market area or region. Conversely, a slightly smaller percentage of Wilsonville's population is middle-aged (aged 35 to 64) than the market area or region.	Wilsonville's age demographics have remained similar relative to the region; however, the market area has a much higher percentage of young adult residents (aged 24 to 34), a lower percentage of older residents (aged 65+) than the City and region, and a similar percentage of middle-aged residents (aged 35 to 64) than the market area and region.
Family Households	Fifty-nine percent of Wilsonville's households are "family households"—those with two or more related family members living together—compared with 68 and 64 percent in the market area and region, respectively.	Fifty-nine percent of Wilsonville's households are "family households", compared with 64 and 63 percent in the market area and region, respectively. The biggest change has occurred within the market area, where the percentage of non-family households has been increasing.
Household Size	Wilsonville has a larger share (68%) of one and two-person households than the market area or region.	Wilsonville still has a larger share (68%) of one- and two-person households than the market area (65%) or region (62%).

Source: LCG, ESRI Business Analyst

The following tables summarize demographic, economic, and socio-economic conditions for a series of comparative areas, including 0.5-, 1-, and 2- mile radii, the primary trade area, and the City of Wilsonville. Households in the immediate area are generally more renter-oriented, and younger than the broader Wilsonville market and metro region. While these conditions are generally attractive to retailers, as Frog Pond builds out, households will likely become larger, wealthier, and more owner-occupied.

Table 4. Comparative Demographic Characteristics

	0.5 miles	1 mile	2 miles	PTA	Wilsonville	Metro	USA
Household Size	3.07	2.44	2.25	2.59	2.30	2.53	2.58
% Renter	57.2%	63.8%	60.1%	60.6%	45.6%	37.2%	35.3%
Median Age	33.0	33.8	35.8	33.0	37.4	38.7	38.8
% w Bachelor's + (25+ y/o)	41.4%	47.8%	48.1%	45.0%	48.1%	41.3%	33.6%
Household Income	\$69,954	\$69,228	\$70,246	\$72,578	\$73,923	\$78,432	\$64,730
% HHs Earning <\$35K	12.5%	16.7%	19.7%	12.7%	20.9%	19.7%	26.4%
Per Capita Income	\$38,458	\$41,153	\$41,669	\$39,833	\$43,928	\$40,131	\$35,106

Source: ESRI Business Analyst (Derived from ACS Census Data)

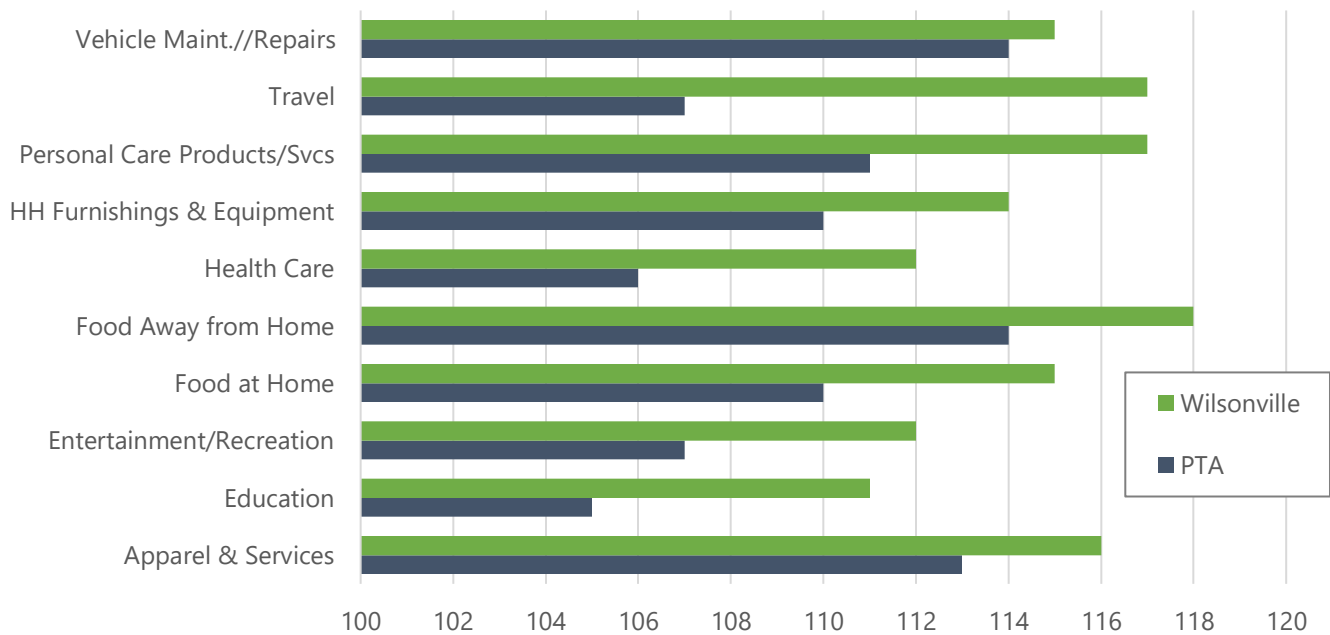
Table 5. Comparative Age Data

Age	0.5 miles	1 mile	2 miles	PTA	Wilsonville	Metro	USA
<18	22.2%	22.8%	21.6%	22.9%	20.0%	21.5%	21.7%
18-34	31.2%	29.1%	27.2%	30.4%	26.4%	23.1%	23.2%
35-44	14.1%	14.5%	14.4%	14.5%	14.1%	14.1%	12.8%
45-54	11.0%	11.7%	11.7%	11.4%	11.4%	12.5%	12.1%
55-64	11.5%	11.2%	11.6%	11.1%	11.6%	12.7%	13.0%
65+	10.0%	10.7%	13.5%	9.7%	16.5%	16.1%	17.2%

Source: ESRI Business Analyst (Derived from ACS Census Data)

Households in both the primary trade area and the City of Wilsonville have a higher spending index across all retail categories than the average U.S. household (an index of 100 indicates the average). Every index point above 100 indicates a one percent increase beyond the average. Retail categories with the highest spending index that could translate to commercial square footage include personal care projects/services, food away from home (i.e., restaurants), food at home (i.e., grocery), and apparel and services.

Figure 2. Spending Index by Retail Category



Source: ESRI Business Analyst (Derived from ACS Census Data)

Existing and Future Customer Base

Household growth is a key driver of demand for commercial development. Wilsonville is projected to continue growing quickly. The previous analysis highlighted that the number of households in Wilsonville is projected to grow at a rate of 1.8 percent annually between 2010 and 2035—faster than many of the nearby cities and the region overall. Updated forecasts from Metro (summarized below for Wilsonville and some of the neighboring cities) show slightly more conservative growth estimates through 2030 and significantly slower growth estimates through 2045.

Table 6. Updated Demographic Forecasts for Wilsonville and the Metro Region

Jurisdiction	2020	2030	2045	10-Yr Annual % Growth	25-Yr Annual % Growth
Wilsonville	25,945	29,756	30,566	1.4%	0.7%
Tualatin	27,278	27,598	27,565	0.1%	0.0%
Tigard	54,591	63,813	71,611	1.6%	1.1%
Sherwood	19,747	20,118	20,662	0.2%	0.2%
Canby	17,161	19,582	19,681	1.3%	0.5%
West Linn	26,060	26,579	26,990	0.2%	0.1%
Oregon City	36,457	42,665	49,009	1.6%	1.2%
Clackamas County	428,614	493,892	593,665	1.4%	1.3%
Washington County	622,082	718,412	809,312	1.5%	1.1%

Source: Metro 2045 distributed population and household forecasts, adopted Feb. 25, 2021, URL

Wilsonville is projected to grow by about 3,800 households between 2020 and 2030. Much of this growth is expected in peripheral growth areas like Frog Pond and will be the primary driver of commercial demand. Growth in other parts of the City is unlikely to make a significant difference to the development prospects of the future Frog Pond commercial area given the likelihood of the land use mix and program being neighborhood-serving and locally-focused. Frog Pond residential counts are described below.

As the following summary table shows, there are currently approximately 2,250 dwellings within one mile of the main intersection (Stafford, Advance, Boeckman, Wilsonville Rd) in Frog Pond, including about 1,250 single-family households and 1,000 apartments.

The 2015 Area Plan includes plans for 610 households in the West Neighborhood, about 200 of which are currently built or close to completion (including the 2,250 current units described above), and 1,322 units in the East and South Neighborhoods.

Upon the expected buildout of Frog Pond residential development in 2035, the number of households within one mile of Frog Pond (the area including the household customer base most likely to support future Frog Pond commercial development) is likely to total (and may exceed) 4,000 dwelling units. To put this number in context, retail developers will often claim 8,000 households within one mile are needed to support a grocery store.

Table 7. Estimated Household Counts

	West	South / East	One-mile Total
Currently Built	200	0	2,250
Total Projected/Planned	610	1,322+	4,000+

Source: ESRI, Frog Pond Area Plan

LCG understands that the total number of dwelling units planned for the may East and South neighborhoods may increase slightly depending on the housing density. Additional multifamily projects and/or mixed-use development may increase the planned total to 1,600 or more, enhancing commercial prospects. In addition to increasing the overall demand for new retail, residents of higher-density departments are less likely to have cars than those living in lower-density, single-family homes and more likely to walk to nearby amenities and services. LCG, therefore, recommends planning higher density residential development near commercial.

Case studies/Precedents

This section includes brief case studies summarizing different projects whose stories have some relevance to the study areas. All of the projects are greenfield projects (built on land that was mostly previously undeveloped); were built within a surrounding suburban context; were thoughtfully planned with an emphasis on quality of place and community; and were intended as neighborhood commercial centers surrounded by housing, quality streets, open spaces, and other features. While each is unique in its own way, each also has unique and context-specific takeaways for the City to consider for the implementation of commercial development in Frog Pond.

A summary table of several is provided on the following page. LCG selected six commercial developments to study based on stakeholder interview input, industry expertise, and background research. Three of these are smaller, unanchored commercial centers, one is a commercial main street, and two are larger anchored centers with main street elements (provided primarily as points of comparison). The arrows for the rows identifying the housing units and jobs within one mile of each area and the traffic counts on nearby streets indicate whether the numbers are less than (red downward arrow), roughly equal to (blue sideways arrow), or more than (green upwards arrow) the households, jobs, and traffic counts projected for Frog Pond by 2035. A full narrative case study of Northwest Crossing in Bend, Oregon is provided following the summary table.

Specific takeaways from LCG's case study research include:

- Many developers seek to build and lease commercial and employment space within several years of land acquisition; for them, having some vacant land after 20 years of development represents an opportunity cost—the land could have been zoned for another use (typically housing) and been rented or sold in earlier years. Likewise, renters and homeowners could have had homes to live in. However, from a policy point of view, if a city or other authority is seeking to ensure adequate land for commercial and employment development, and associated jobs, this can be seen as a success.
- Creating a strong sense of place is possible with a small amount of commercial development when it is carefully and deliberately built.
- A commercial main street is one important amenity that can make the rest of the community more desirable. While commercial space needs exposure to high-traffic arterials, pedestrian-oriented places should be created on main streets that are perpendicular to the arterials. It is often not comfortable for pedestrians to walk and talk or dine outside, along arterial roads, so creating a pedestrian-friendly environment is easier on perpendicular streets.
- Commercial development takes time in less traditional locations (i.e., those without large populations and traffic counts). Housing was faster to build out at NorthWest Crossing—commercial and employment followed.
- Northwest Crossing emphasizes the placemaking benefits of linking retail with open space. As a master-planned development, the developer could afford to choose this orientation and link the two spaces. Notably, none of the smaller unanchored centers documented below include a larger open space other than seating immediately outside of the storefronts. Larger commercial developments can flexibly design the site to accommodate smaller public gathering and open spaces that provide a community amenity and serves its tenants. A well-designed site that encourages the movement of people on foot between parks/open space and retail development will likely require either a master developer that sees value in this approach or a deliberate decision by the City to acquire and preserve land for these uses.

le 8. Case Study Summary

	Forest Heights	Village on Scholls	East Padden Square	Northwest Crossing	Central Village	Cascade Summit Town Square
General Location	NW Metro (UGB edge)	Tigard (SW UGB edge)	Vancouver (NE edge of City)	Bend (western edge of City)	West Linn, Highway 43	West Linn, Salamo Road (adjacent to preserved land)
Type	Unanchored convenience center	Unanchored convenience center	Pharmacy anchored n'hood center	Main Street Commercial	Grocery anchored n'hood center	Grocery anchored n'hood center
Tenant Mix	Natural Market, café, salon, cleaners, pizzeria, coffee shop	Café, restaurants, professional offices, Salon	Pharmacy, dental office, H&R Block, fast-casual and sit down restaurants	Bars, salons, restaurants, book store, medical/ prof. offices, bike shop, boutique clothing,	Retailers, restaurants, medical and professional services office space, West Linn Public Library	Safeway, offices, City Hall, banks, liquor store, gym, USPS, other misc., Montessori School
% Non-Retail	15%	50%	15%	26%	15%	30%
Year Built	1994	2008	2006	2006-2021 (ongoing)	2007	2000
1-mi Hsg. Units	4,600 ↻	6,000 🟢	4,000 ↻	2,700 🟡	3,700 ↻	4,100 ↻
1 mile Jobs	1,030 ↻	1,150 ↻	1,200 ↻	2,270 🟢	5,160 🟢	1,530 ↻
Traffic Counts	5,000 🟡	18,900 🟢	19,000 🟢	9,000 ↻	17,000 🟢	8-10,000 ↻
Site Acreage	1.6	2.9	3.2	6.0 (2 acres recently developed)	7.9	12.6
Building Sq Ft	24,000	32,000	31,000	84,600 (33,000 recently added)	104,715	131,660
Floor Area Ratio	0.34	0.25	0.22	0.28	0.30	0.24

Source: LCG

Northwest Crossing, Bend

Northwest Crossing is a 500-acre master-planned neighborhood in Bend, Oregon, located about 1.5 miles west of downtown. It is composed of a wide variety of housing types (single-family, cottages, townhomes, and apartments), over

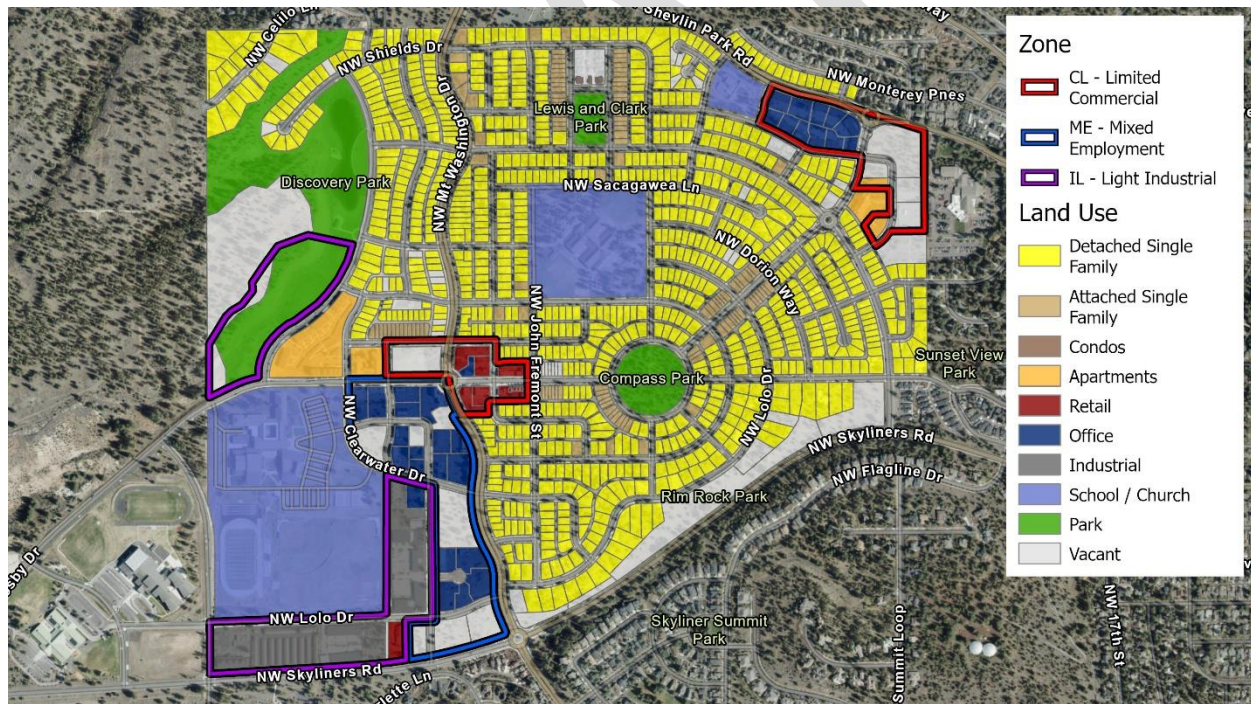
80 businesses representing a range of sectors (retail, medical, professional services, manufacturing), and a highly walkable network of streets and trails.

NorthWest Crossing is one of the best models of a successful neighborhood node or main street development within a master-planned community in the Pacific Northwest. It creates a great sense of place within a small core commercial area (less than 5 acres), and its design shows how a pedestrian-oriented main street can coexist with adjacent high traffic arterials. LCG recommends that Frog Pond consider this model of neighborhood node-scale commercial development, with an emphasis on food, lifestyle, personal and professional services, and other commercial activities that serve as an amenity to residents and create a sense of place.

Commercial uses primarily center along 400 feet of Northwest Crossing Drive (spilling east from Washington Drive). This commercial heart of the town center is approximately three to five acres, depending on the extent to which surrounding roads, sidewalks, and parking lots are included in the count. There is a small amount of retail, yet the project creates a powerful sense of place, with both residents and visitors going out of their way to gather, shop, and stroll on the “main street.” The street is connected to Compass Park, 500 feet to the east.

Northwest Crossing Drive and the park both host a range of events around the year including Saturday Farmers Market, music, tree lighting, movies, and various festivals. Together, the commercial space, park, street network, range of housing, and other features create something distinctive and elusive—community and sense of place. While these attributes may seem conceptual, they drive financial returns, particularly through very strong home sales throughout the community’s twenty-year history, including during the recession, when home sales in other parts of Bend suffered.

Figure 3. Northwest Crossing Land Use Map



Northwest Crossing has had relative success in attracting significant employment development. Capitalizing on Bend’s quality of life characteristics, concentration in outdoor recreation and “maker” industries, and emerging start-up culture, Northwest Crossing has been able to attract several small manufacturing and mid-size headquarters to its employment area. In total, about 16 acres of office development and 15 acres of industrial development have been built. This makes it one of the most successful greenfield communities in Oregon in terms of attracting employment uses.

NorthWest Crossing was led by master developer Brooks Resources, who purchased the entire 500 acres in the 1990s, used a phased buildout approach for the residential component, and was willing to be very patient on the development of commercial and employment sites. LCG cannot say at this point whether this will be the case at Frog Pond. Most of the land, including the proposed site of the commercial center, is currently held in numerous disparate ownerships and no master developer is known. One reason that a master developer is significant is that they are more likely to “over-invest” in amenities such as commercial centers, because, at least in theory, a desirable commercial center will make the entire neighborhood more attractive and desirable and enable the master developer to “internalize” the greater revenue generated by faster home sales and more valuable homes—even if the commercial center is expensive to develop and has a low return on investment. When a property is controlled by many owners, each owner has far less incentive to view commercial and employment areas as loss leaders that drive the success of the overall community.

Market Analysis

A retail market analysis provides quantitative information about the opportunities for new retail space based on existing and future supply and demand. This section describes the competitive retail environment facing future commercial in Frog Pond and the households expected to drive most of the demand for new space.

The 2015 Area Plan described the most appropriate types of retail for Frog Pond as a corner store, convenience center, or neighborhood center. This analysis reevaluates these assumptions and identifies the most appropriate retail format and size for Frog Pond based on new data and updated information.

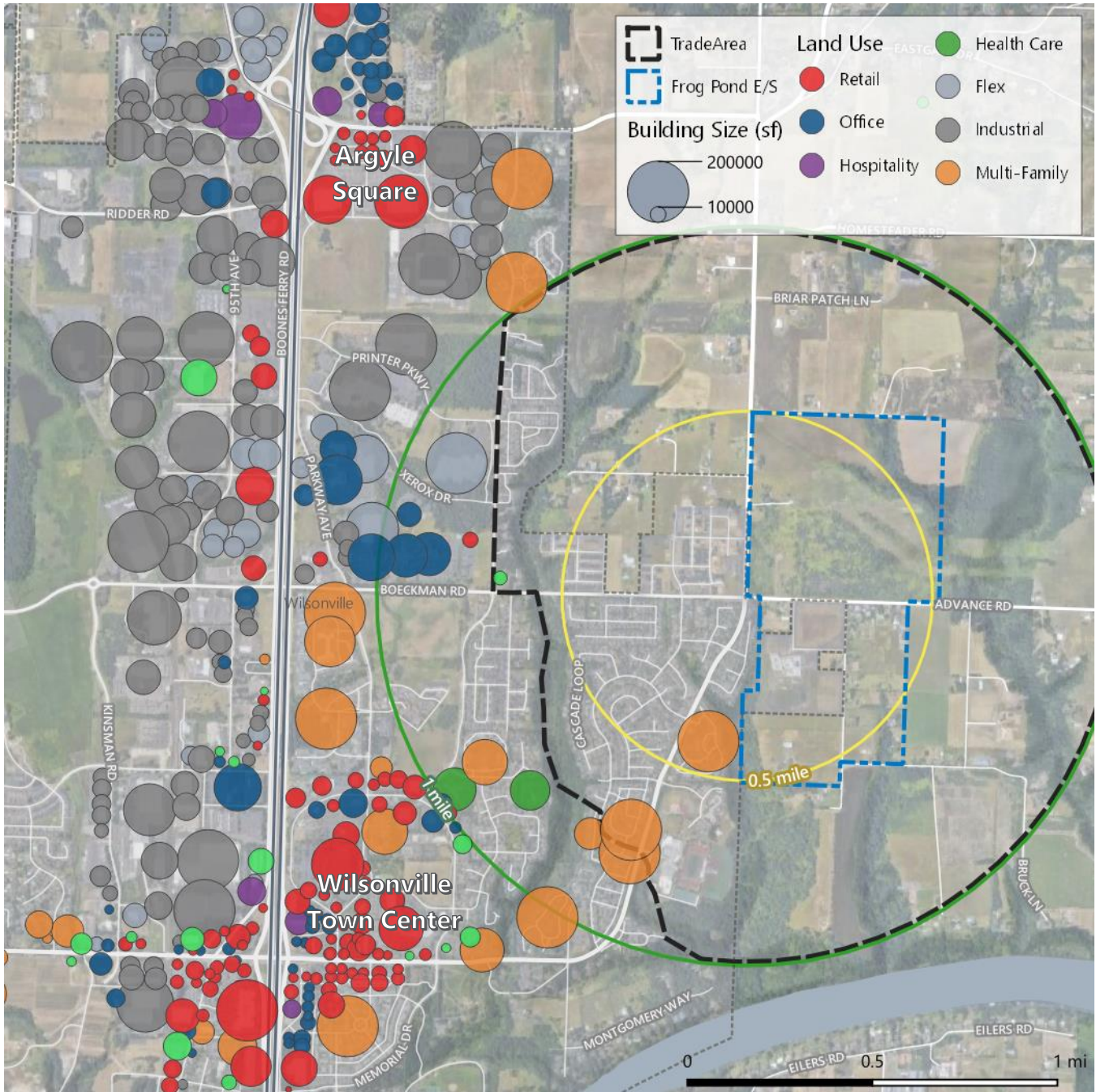
Primary Trade Area

The primary trade area is the geographic region from which 50 to 80 percent of total demand and sales are expected. Identifying and analyzing this trade area is critical to understanding the demand for retail commercial space and the potential market capture of the Frog Pond area.

The size of the trade area differs based on the type of commercial space. The size of the trade area generally correlates with the size of the commercial center or store and the total square footage occupied by its tenants. For example, tenants offering neighborhood goods and services and food and beverage are typically more locally-focused, occupy smaller store footprints, and have a much smaller trade area than general merchandisers and other larger-format stores that have a more regional draw.

The following map shows the Frog Pond primary trade area in relation to existing commercial and multifamily developments.

Figure 4. Frog Pond Primary Trade Area



Source: LCG

The primary trade area for Frog Pond will likely be within one mile of the future commercial area, consistent with the typical trade area for a convenience center. Future commercial in Frog Pond is unlikely to draw many customers from beyond one mile away unless it becomes a destination that can attract visitors with a unique retail experience. The boundary shifts inward in places that are impacted by:

- Physical and environmental barriers, particularly to the west and south along the wetland/vegetative corridor. New households west of this corridor will more likely be consumers of commercial to the west,

- The proximity of large retail centers, including Argyle Square, Wilsonville Town Center, and others, and
- Major arterials offer quick access to these well-established commercial concentrations.

This trade area excludes approximately 680 dwelling units that are within one mile of the center (330 single-family homes and 350 apartments). These households—and households further afield—will also support Future Frog Pond commercial, but proximity to more established retail in and around the Wilsonville Town Center will likely be a more significant draw.

Commercial Supply and Competition

This section summarizes the existing and future retailers that are likely to compete for customers with future Frog Pond commercial. Given its location on the eastern edge of Wilsonville, commercial demand and development prospects are most likely impacted by commercial spaces located east of I-5. These spaces include those within the Wilsonville Town Center and the Argyle Square regional shopping center at Elligsen Road; both commercial centers offer a wide variety of goods and services. One benefit that both of these centers have over Frog Pond, as shown in the table below, is the very high traffic, visibility, and access that comes with their location near I-5, and along major high volume arterial roads.

Each of the centers is relatively high-performing despite the challenges facing the retail sector due to ecommerce and the COVID-19 pandemic. Vacancies at Argyle Square continue to be very low (<5%), rents average more than \$30 per square foot, and annual rent growth has exceeded three percent for the past decade. Rents at the Wilsonville Town Center are slightly lower on average at \$25 per square foot, reflecting the older building stock.

The Wilsonville Town Center (WTC) is the focus of a recent master plan that envisions widespread changes over the planning horizon for the Frog Pond Master Plan. Plans include a more pedestrian-oriented environment, additional commercial development, a shift to more experiential retail, mixed-use development, and a greater intensity of uses. Frog Pond Commercial will compete with WTC for experiential retail, including neighborhood goods and services and food and beverage.

Retailers at Frog Pond will need to consider these retail centers and establish an effective role and niche to compete effectively.

Table 9. Property Characteristics of Competing Commercial Centers (East of I-5)

Average/Total	Wilsonville Town Center	Argyle Square Regional Center
Center Type	Community Center	Regional Center
Major Tenants	Safeway, Goodwill, Dollar Tree, Ace Hardware, Regal Cinema, Clackamas Community College	Target, Costco, PetSmart, Office Depot
Leasable Space (SF)	1,091,000 (664,000 sf retail buildings)	370,000
Site Area (SF)	6,332,544	1,850,267
FAR	0.17	0.20
Total Vacant SF	157,000 (includes 146,500 sf building formerly occupied by Fry's Electronics)/	10,500
Avg. Vacancy Percent	15% total / 24% retail only	<1%
Avg. Traffic Counts	27,000	15,000
Households w/in 1 mi	4,711	1,005
Planned Development	1+ million square feet	Nothing planned

Source: ESRI, LCG

Demand for New Commercial Space

The demand for commercial space, and ultimately land that needs to be planned for future development is a function of many interrelated factors. Each commercial real estate sector—including office, retail, industrial, hospitality, and healthcare—consider certain factors more important than others, as summarized below.

Table 10. Factors Influencing Demand and Development Prospects

Factor & Description	Sector Impacted	Frog Pond Considerations
<p>Spending Leakage. Leakage occurs when locals spend a larger amount of money on goods than the number of sales reported by local businesses. Retail leakage implies that locals are traveling outside of the local market area to buy retail goods and can indicate unsatisfied demand within the PTA.</p>	<p>Retail, medical and professional office, lodging</p>	<p>There is leakage across all retail categories; Frog Pond may recapture spending leakage in neighborhood retail, goods and services. Leakage for the primary trade area is shown in the chart that follows.</p>
<p>Existing and Future Consumer Base. Consumers include shoppers, workers, tenants, and other users. A fast-growing area will create demand for services and development quicker than slow-growing areas because of the needs of new households. High-growth areas will attract development interest.</p>	<p>Retail, office, industrial, lodging</p>	<p>Frog Pond is impacted by household growth primarily, with at least 4,000 units expected by 2035.</p>
<p>Purchasing Power of Base. Households with higher incomes generally have more disposable incomes and, therefore, consume more goods and services and generate demand for more commercial development. Households with certain demographic profiles tend to spend more in certain categories than others. Retailers are interested in targeting clusters of households that fit the goods and services on offer.</p>	<p>Retail</p>	<p>The “Spending Index” for households living in Wilsonville is higher than the metro and U.S. average, indicating strong purchasing power. This index is expected to be similar for the trade area as Frog Pond builds out.</p>
<p>Local Demographics. Characteristics of residents and workers, such as education, household composition, age, and income, play a factor in consumer behavior, employment demands and trends, and hotel use.</p>	<p>Retail, office, industrial, lodging</p>	<p>Frog Pond and the surrounding areas appear to have attracted younger, educated, wealthy families. These demographics support neighborhood-serving retail and other specialized uses, such as daycare.</p>
<p>Unique Differentiators. Placemaking and walkability can create unique destinations that people want to live, work, and play in. These places pull people from outside the typical trade area and generate more development interest than traditional locations.</p>	<p>Retail, office, lodging</p>	<p>In lieu of major differentiators, Frog Pond can drive interest and pull customers to the area by encouraging higher density development near commercial uses, on-street parking, connections to open spaces, and promoting neighborhood-centric tenant mixes.</p>
<p>Access and Visibility. While neither of these characteristics generates demand in itself, highly accessible and visibility areas will be more likely to attract development interest because of the ability to draw from a wider market area and capture passing traffic (auto, pedestrian, tourism, etc.).</p>	<p>Retail, office, industrial, lodging</p>	<p>Stafford Road carries the most traffic, with northbound evening commuters providing opportunities for Frog Pond East. Traffic on Brisband Road and Frog Pond Lane and other east-west connections may arise later.</p>

Source: LCG

As noted above, there is leakage in all retail categories—a positive indicator for commercial prospects. In theory, the total sum of the leakage across all categories could be met with more than 175,000 square feet of new retail development. In reality, only a small fraction of existing leakage might be recaptured within the PTA in the form of new development. This is because most of the retail “gravity” is to the west, with several large centers that draw customers from a much larger trade area because of the substantial range of goods and services on offer. New commercial in the Frog Pond area can expect to see the highest capture rates among neighborhood goods and services (e.g., the categories of food and beverage, health and personal care, and building materials/garden equipment) and low recapture rates in the categories of general merchandisers (such as Target, Walmart), clothing, sporting goods, furniture, and electronics.

Figure 5. Spending Gap Analysis, Primary Trade Area, Current Spending Leakage



Source: LCG

Demand Analysis

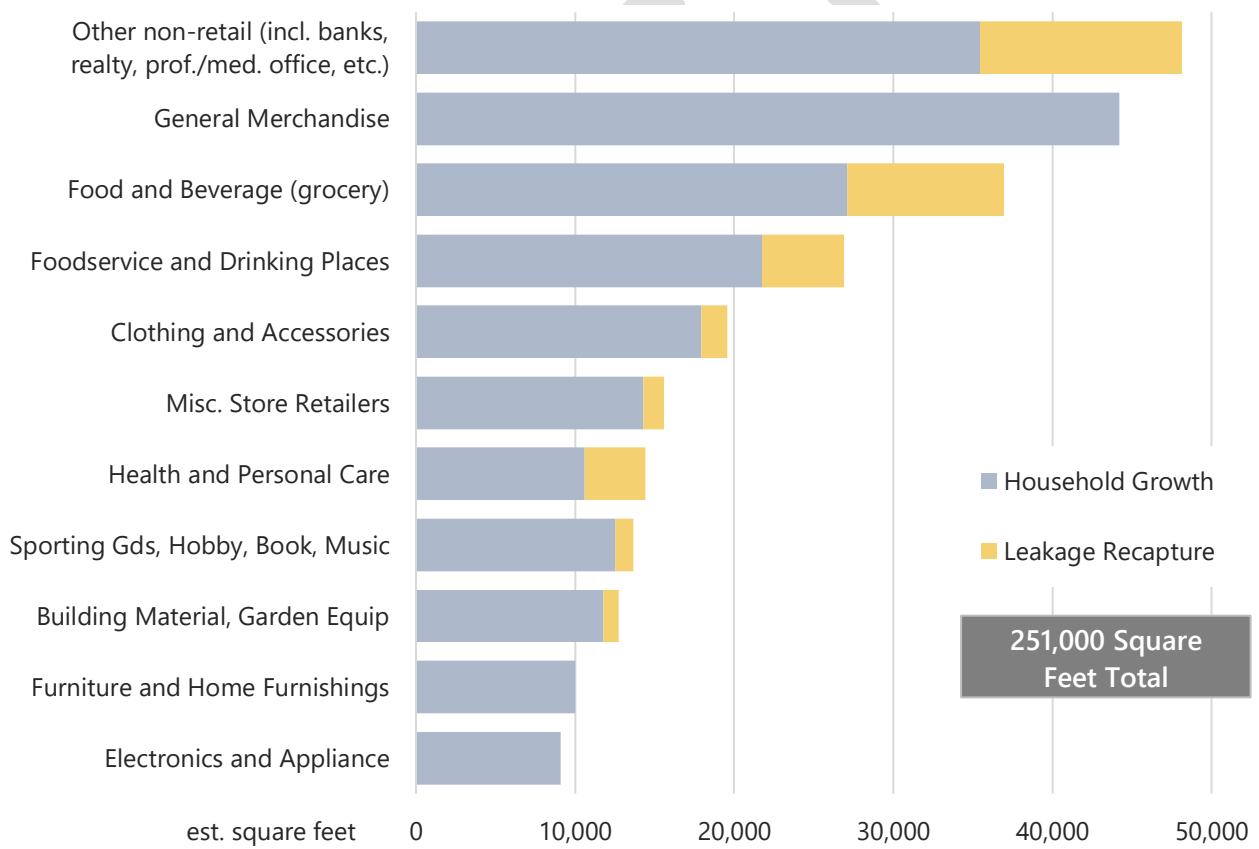
Commercial demand is calculated by applying the following key metrics to existing and future households within the primary trade area.

- **Expenditures by household.** Household expenditures are collected through a survey by a U.S. Bureau of Labor Statistics (BLS) and reported as average and summed expenditures by subcategory.
- **Market Capture.** Capture Rates are the percentage likelihood that the expenditures will be assumed by the development. Analysts assign capture rates as a factor of competition, location, and other market factors.
- **Leakage Recapture.** As noted above, a fraction of existing leakage might be recaptured within the PTA in the form of new development
- **Sales per Square Foot.** Sales per square foot are otherwise known as productivity and enable a calculation of supportable square footage at the product. Each region, neighborhood, and development has a different set of sales figures.

LCG evaluated retail demand using these metrics through 2035 when the Frog Pond area is expected to be near completion. Demand is driven by existing and future households within the primary trade area, as well as spending from drive-by shoppers. Taking into account the existing stock of about 2,250 households and the approximately 1,800 new households likely to ultimately reside at Frog Pond, there will likely be more than 4,000 households in the primary market area at full project build-out in 2035.

Based on these household counts, and the metrics identified above, demand for new retail space from existing and future households totals 226,000 square feet through 2035. Demand does not translate to viable square feet of development, however, and the market capture varies for each retail category. The majority of households will continue to shop in areas outside of the primary trade area and other existing and new retail developments will capture a significant share of total commercial demand. Among these areas is the Wilsonville Town Center—the closest retail concentration—that may add more than one million square feet of new development over the next 20+ years and draw customers from the Frog Pond area.

Figure 6. Primary Trade Area Retail Demand by 2035, Net New Square Feet



Source: LCG

Projected Demand and Potential Market Capture

This section outlines the possible site program for Frog Pond based on the market capture of the demand totals described above. LCG estimates the market potential for between 31,000 and 56,000 square feet of new commercial space. This would require between 2.8 and 5.1 acres of land at a standard floor area ratio (FAR) of 0.25 (consistent with the case studies documented in the following section). The higher threshold largely depends on the area’s ability to attract a pharmacy or medium-sized grocer, which may not be feasible within the planning horizon.

The following table details the estimated range of gross leasable space (in square feet) for various retail types based on LCG's demand analysis. Future Frog Pond commercial is expected to comprise primarily of food and beverage stores (including grocery, specialty markets, delicatessens, butchers, etc.), health and personal care (including salons, pharmacy, fitness centers), foodservice and drinking places (restaurants, cafes, bars), and other non-retail stores ((banking, realty, financial and medical offices, educational tenants, etc.). As the case studies show, non-retail tenants typically account for between 15 and 30 percent of gross leasable space in commercial areas. This is captured in the table below in the "Other" retail category type.

Table 11. Primary Trade Area Retail Demand and Supportable Retail Area: 2035

Retail Category Type	Future Growth in Demand (Retail Potential) \$	2035 New Demand from HH Growth (s.f.)	Leakage Recap- ture (s.f.)	Total New 20- yr Demand (s.f.)	Capture Rate (low)	Capture Rate (high)	Net New Demand Square Feet (low)	Net New Demand Square Feet (high)
Furniture & Home Furnishings	\$2,254,435	10,020	0	10,020	0%	0%	0	0
Electronics & Appliance	\$2,270,950	9,084	0	9,084	0%	0%	0	0
Bldg. Material, Garden	\$4,115,742	11,759	994	12,761	10%	15%	1,300	1,900
Food/Beverage (grocery)	\$11,519,008	27,104	9,837	36,941	15%	50%	5,500	18,500
Health & Personal Care	\$3,969,016	10,584	3,841	14,425	35%	50%	5,000	7,200
Clothing & Accessories	\$3,584,158	17,921	1,626	19,547	5%	10%	1,000	2,000
Sporting Gds, Hobby, Book, Music	\$2,504,784	12,524	1,136	13,660	10%	15%	1,400	2,000
General Merchandise	\$12,151,776	44,188	0	44,188	0%	0%	0	0
Misc. Store Retailers	\$3,213,690	14,283	1,296	15,579	10%	15%	1,600	2,300
Foodservice & Drinking	\$7,612,294	21,749	5,166	26,930	20%	28%	5,400	7,500
Other non-retail (banks, prof./med. office, etc.)	\$5,319,585	35,464	12,683	48,153	20%	30%	9,600	14,400
Total	\$58,515,438	214,680	36,580	251,288	12%	22%	30,800	55,800
Acreage Required							2.8	5.1

Sources: ESRI Business Analyst, LCG

The feasibility of this commercial development will also depend on what if any retail is developed in other locations. For example, a new retail center located to the west of the Frog Pond Area on Boeckman Road would absorb demand from Frog Pond and potentially preclude new development in the study area. However, this analysis assumes that no new retail is built within a one-mile radius of Frog Pond East.

With projected 4,000 households within one mile of the main intersection, Frog Pond will likely support a convenience center at the lower range (around 30,000 square feet), but a larger retail center at the upper range (around 50,000 square feet) may be challenging.

Within two miles, there are *currently* about 6,000 housing units and additional growth in this area will exceed the average number of dwellings necessary to support a neighborhood center. However, such a large trade area is unlikely in this case given this area includes more than 2.0 million square feet of existing competitive retail space.

Site Location Considerations

This section includes a discussion of potential locations for future commercial development and the advantages and disadvantages of each.

When selecting commercial development sites, several core characteristics attract commercial developers and brokers to certain locations, including access and visibility, traffic counts, and the customer base. The previous pages have described Frog Pond's general competitiveness as a commercial location; this section now provides an overview of the potential internal locations for this commercial development within Frog Pond East and South.

Potential locations are limited to the east side of Stafford Road. Stafford is and will remain the primary route through Frog Pond (with 6,000 average daily traffic counts) and is therefore visible and accessible to the greatest number of people in the area. It should be noted that retail developers typically want ADTs of more than 15,000 for most commercial centers, and while the City's Transportation System Plan forecasts that ADTs on Stafford will reach approximately 10,000 by 2035, reaching the upper 50,000 square feet threshold may not be feasible given these and other challenges. Over a long-term planning horizon (20+ years), other areas in the region will develop, including those to the immediate north, and employment will grow, driving up densities and ADTs to levels that are more likely to support a larger commercial center.

Along the Stafford Corridor, there are three potential locations for commercial development. The first, at the northeast corner of the existing main intersection of Stafford and Advance roads, has been documented in detail and remains an opportunity site. The second potential location is at the planned extension of Brisband Road along Stafford Road. This extension will likely be the primary alternative route through Frog Pond, bringing more customers and traffic past this potential location. Similarly, the third location is at the planned extension of Frog Pond Lane adjacent near the Frogpond Grange. More details about the pros and cons of each location are provided in the table below.

Table 12. Location and Development Type (Main Street Retail Versus Commercial Centers) Options: Advantages and Disadvantages

Location	Likely Commercial Type / Location	Advantages	Disadvantages
1. NE Corner of Advance/ Stafford Intersection	Commercial center with access from both Stafford and Advance roads. Large central parking lot.	<p>Most “developer-friendly” option.</p> <p>Best opportunity for a pharmacy on the corner.</p> <p>Likely to develop the quickest.</p> <p>Tried and tested development type.</p> <p>Anchor tenant opportunity.</p>	<p>Least pedestrian-oriented location and development type.</p> <p>Few opportunities to tie into land uses to the south and west.</p> <p>May have the least community support.</p> <p>Commercial centers can age quickly and feel outdated.</p>
2. Brisband Road	“Main Street” with commercial space on the north and south sides of Brisband Road, as well as space fronting Stafford Road. Parking is likely located on street and behind buildings.	<p>Most balanced option (market-driven versus experience/amenity-based).</p> <p>May have the most traffic once Frog Pond residential is complete.</p> <p>Main street retail feels “fresher” for longer, maintaining vibrancy.</p> <p>May have the most community support.</p> <p>Long-term potential to develop a flexible mixed-use program that fully surrounds the commercial area: program may also increase in size with the Elligsen UGB area housing growth to the north.</p>	<p>Typically unanchored; may take longer to build and fill with tenants.</p> <p>May require public subsidy given the greater development complexity, especially if mixed-use (upper stories are not required).</p> <p>Challenging tenant/parking configuration.</p> <p>Power easement through connection may be critical to bringing more local customers to the site.</p>
2. Frog Pond Lane Extension	“Main Street” with commercial space on one or both sides of Frog Pond Lane, as well as space fronting Stafford Road. Parking is likely located on street and behind buildings.	<p>Opportunities to tie into existing community asset at the Frogpond Grange.</p> <p>Main street retail feels “fresher” for longer, maintaining vibrancy.</p> <p>May have the most community support.</p> <p>Long-term potential to develop a flexible mixed-use program that partially surrounds the commercial area: program may also increase in size with the Elligsen UGB area housing growth to the north.</p> <p>More central to both future Frog Pond and Elligsen UGB area households, albeit over a much longer timeframe.</p>	<p>Same as Option 2.</p> <p>North side development may be challenging given the existing location of the Grange.</p> <p>Not centrally location: one-sided market area (most of new residential construction will be constructed to the south) may limit customer base/tenanting opportunities.</p>

Source: LCG

Location number two (and three, to a lesser extent) offers the opportunity to develop a main street retail development type that likely offers the greatest community benefit and experience. However, if the City of Wilsonville chooses to

pursue the Main Street approach, it should be aware of the potential challenges, including parking complexities, site design, building orientation, access, and whether the development will include upper story offices or residential units. If the City and its development partners can address these challenges, a commercial main street can make the rest of the community more desirable. Main streets require slow vehicle speeds, sidewalks, street parking, retail on both sides of the streets, and the streets should ideally go somewhere rather than into an inner neighborhood. Sisters, Oregon is one such example.

Phasing

Retail development in edge locations such as Frog Pond is challenging and requires the right mix of pass-by traffic and visibility, a dearth of strong competition in the primary market area, and an adequate population. This also underscores the adage that “retail follows rooftops” and gets developed only when there is sufficient housing to support it. A larger development program may provide more neighborhood amenities, but it will also take longer to develop and land may sit vacant and undeveloped for many years.

Retail developers may decide to wait until after 2035 to build significant retail, when additional Urban Reserve Areas such as the Elligsen Urban Reserve Area to the north may enter the UGB (although the build-out of these areas will likely take more than 20 years).

Ultimately, the City of Wilsonville will need to decide whether it wants to see commercial development in the shortest timeframe possible or hold the land until a larger program might be feasible or a master developer is interested in developing the site. Alternatively, the City could plan for commercial development in the future Elligsen Urban Reserve as it will have greater access to more households, thereby—at least theoretically—supporting a larger development program.

Recommended Development Program

The primary goal of this memo is to recommend a commercial development program that includes site acreage, development square feet, likely tenant mix, parking demands, access requirements, and other considerations.

The market analysis for the 2015 Area Plan found that Frog Pond could potentially support an unanchored neighborhood retail center of approximately 38,000 square feet requiring about 3.5 acres of land at full project build-out in approximately 2035. Tenants would likely include retail, small office, and neighborhood services such as a daycare center.

This updated market analysis finds that a slightly larger development program of **44,000 square feet on 4.0 acres of land** may be feasible. If the City can attract a pharmacy or medium-sized grocer (a full-service grocery store is not likely), this program could be 56,000 square feet on 5.1 acres of land, so flexibility should be incorporated into the plan in order for the City to be able to respond to opportunities as they arise. A summary of LCG’s recommended development program is as follows.

Bldg. Square Feet	Up to 44,000 square feet
Site Acreage	Up to 4.0 acres
Tenant Mix	Commercial development today is flexible and accommodates a wide range of activities, including food and beverage, retail, general commercial, professional services/office, healthcare, fitness, daycare, banks, and more. Specific retail tenants may include cafes and restaurants, a specialty food product store, a pharmacy, and other miscellaneous stores like laundromats, salons, hobby/boutique stores, and medical, professional, and financial offices.

There are few region-wide examples of developers building commercial centers that are smaller than 30,000 square feet and may wait until a center between 30,000 and 55,000 square feet or larger is feasible, especially if the retail market again shifts dramatically in the next decade. Another approach is to encourage a greater percentage of non-retail uses to create a larger and potentially more profitable center. Some of these non-retail tenants include medical/health services (dental offices, veterinary clinics), financial services (banks, real estate brokerage, insurance offices), realtors, personal care (salons, fitness centers), and household services (childcare facilities, education, coworking spaces).

Development Type

"Hybrid" Main Street, with buildings on both sides of the planned Brisband Street or Frog Pond Lane extension on the east side of Stafford Road. Buildings can be split up (see Northwest Crossing) to address parking challenges. The corners present an opportunity to attract a pharmacy or larger anchor tenant.

The main street approach, if done correctly, creates an authentic experience that promotes placemaking, creates a community amenity, and can have a positive impact on the surrounding residential uses and other commercial spaces (e.g., driving rent premiums and increasing values, improving the attractiveness of the area for new residents and customers, etc.).

In keeping with other regional centers, initial construction is most likely to be at a 0.25 to 0.30 floor-area ratio (FAR).

Parking

Parking ratios of 4.0 to 5.0 per thousand square feet of gross leasable commercial space are common. Most parking in the near term will be at the surface level, though shared parking and on-street parking can reduce the need for large fields of surface parking. A higher percentage of food and beverage-based tenants will create more demand for parking, while a higher percentage of non-retail tenants will likely create less demand.

Location

From a pure market perspective, the northeast corner of the Stafford Road and Advance Road intersection makes the most sense. This location requires the least new infrastructure and can be built out independently of the rest of Frog Pond.

However, Main Street retail provides the greatest experience and offers an opportunity for the commercial area to be prosperous over a longer timeframe. Main street retail feels "fresher" for longer than conventional retail centers and would be more accessible to a greater number of people traveling by car, foot, and bike.

A pharmacy or similar small anchor tenant may be possible in either location but would want to locate on street corners, yet with a setback for their customer parking.

Other Recommendations

Plan for higher-density residential, including apartments, townhomes, and live/work spaces, surrounding the commercial center. Most case studies of successful commercial areas are surrounded by higher-density housing.

Many desirable communities and commercial centers are mixed-use, and allow housing, live-work, educational, and institutional, within or adjacent to the centers. In the near term, horizontal mixed-use is possible and can create a great sense of place. Opportunities for vertical mixed-use in the near term may be very limited or nonexistent, though possible in the long term (10+ years). While the market for live-work space is modest, stakeholders may want to encourage or incentivize it.

Recognize the constraints imposed by market and development economics related to height, density, and vertical mixed-use.